



U.S. ENVIRONMENTAL PROTECTION AGENCY, REGION 2

May 17, 2019

BY ELECTRONIC MAIL

Robert Law, Ph.D.
de maximis, inc.
186 Center Street, Suite 290
Clinton, New Jersey 08809

Re: Re: Lower Passaic River Study Area – Administrative Settlement Agreement and Order
on Consent for Remedial Investigation/Feasibility Study (Agreement) CERCLA Docket
No. 02-2007-2009

Dear Dr. Law:

The U.S. Environmental Protection Agency (EPA) has reviewed *Draft Basis of Cost Estimate Upper 9-Mile Source Control Interim Remedy Feasibility Study* (Basis of Cost Estimate) submitted by the Cooperating Parties Group (CPG) for the Lower Passaic River Study Area (LPRSA). The CPG's Basis of Cost Estimate submittal is dated May 7, 2019 and consists of a three-page narrative and ten tables, Tables 1 – 10.

EPA is providing the enclosed comments on the CPG's *Basis of Cost Estimate* with this letter in accordance with Section X, Paragraph 44(d) of the Agreement. Please proceed with revisions to the table within 30 days consistent with the enclosed comments. If there are any questions or clarifications needed, please contact me to discuss.

Sincerely,

A handwritten signature in black ink, appearing to read "Diane Salkie".

Diane Salkie, Remedial Project Manager
Lower Passaic River Study Area RI/FS

Enclosure

Cc: Zizila, F. (EPA)
Sivak, M. (EPA)
Hyatt, B. (CPG)
Potter, W. (CPG)

EPA COMMENTS

Draft Basis of Cost Estimate Upper 9-Mile Source Control Interim Remedy Feasibility Study dated May 7, 2019

<u>No.</u>	<u>Location/Page No.</u>	<u>EPA Comment</u>
1	General	Development and breakdown of the Indirect Capital Costs should be consistent with the Professional/Technical Services presented in EPA's <i>A Guide to Developing and Documenting Cost Estimates during the Feasibility Study</i> (USEPA 2000), including Project Management, Remedial Design, Construction Management and Technical Support. Table 1 breaks down the percentages of the total direct capital costs further, which can introduce unnecessary complexity and potential double counting. Specific comments related to indirect costs are further presented below.
2	Page 2, Key Cost Assumptions, bullet 7	Describe how "vacant, uncontaminated property" is defined/assumed for purposes of identifying upland site staging area cost development.
3	Table 1	Please provide additional backup for the development of the lump sum cost for "Pre-Design Investigations" (e.g., matrices to be sampled and approximate sample counts).
4	Table 1	EPA's <i>A Guide to Developing and Documenting Cost Estimates during the Feasibility Study</i> (EPA 2000) states that project management should include permitting (not already provided by the construction or O&M contractor). It appears that the sum of the percentages of total direct capital costs (TDCC) for "Project Management" and "Permitting" is consistent with the project management percentages provided as guidelines in Exhibit 5-8 of the guidance (USEPA 2000). However, permitting appears to be captured in both the description of "Project Management" line item task and also the "Permitting" line item task. Please revise the document as necessary.
5	Table 1	Including EPA Oversight as a line item task is not consistent with Record of Decision (ROD) for the Lower 8.3 Miles of the Lower Passaic River (EPA 2016) or EPA's <i>A Guide to Developing and Documenting Cost Estimates during the Feasibility Study</i> (USEPA 2000). Guidance (EPA 2000) indicates that oversight activities can be included in construction management and technical support indirect cost line items as appropriate. Please revise the document accordingly.
6	Table 2	Please provide additional backup for the development of the lump sum cost for "Work Plans and Submittals." The lump sum unit cost appears low for a project of this magnitude. Also, construction submittals, change order review and QA/QC documentation are already captured under the "Construction Management" line item task in Table 1. Please revise the document as necessary to avoid introducing unnecessary complexity and potential double counting.
7	Table 3	Revise the document so the individual line item costs under "Support Facilities" are aggregated to one (1) line item cost with a unit tied to duration of construction. The level of detail is not necessary for an FS level cost estimate.

EPA COMMENTS

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<u>No.</u>	<u>Location/Page No.</u>	<u>EPA Comment</u>
8	Table 4	Clarify if the unit cost percentage for mobilization/demobilization costs for dredging equipment includes land based removal equipment.
9	Table 4	It is EPA's understanding the utility protection would be avoidance or specific removal technologies. The use of sheet piling could be damaging given the potential age and condition of some infrastructure. Utility protection measures should be discussed further with EPA.
10	Table 4	Please provide additional backup for the development of the "Additional Monitoring Surveys" (e.g., matrices to be sampled and approximate sample counts). In order to determine whether this additional line item cost is justified, and sufficient, additional understanding of the scope should be provided.
11	Table 5	The individual line item unit costs for capping appear high compared to those estimated in the ROD for the Lower 8.3 Miles of the Lower Passaic River (EPA 2016). Please provide additional information on the basis for capping unit costs. The text of the basis for the cost estimate references examples of the similar projects used for the basis of cost for dredging, upland site staging area, sediment processing, water treatment, transportation and disposal unit costs. However, it does not include the same level of detail for capping activities.
12	Table 6	Clarify how cost sharing with the Lower 8 Remedial Action is currently being determined/assumed. As discussed in the May 9, 2019 FS Meeting, EPA Region 2 consulted with ORC on assumption made for cost in the Interim Remedy FS for using the Lower 8 Remedial Action sediment processing facilities. The EPA determined that due to the unknown mechanism that will be used for sediment processing, the cost basis table should include both the costs associated with sharing the Lower 8 Remedial Action sediment processing facilities as well as the general, estimated costs associated with constructing a sediment processing facility for the upper 9 use only.
13	Table 6	Based on the units for "Processing Facility Construction Cost Contribution," this cost will be the same for all alternatives regardless of volume. Clarify if this cost be scaled for the scope of the alternatives being evaluated.
14	Table 7	Based on the units for "Water Treatment Construction Costs Contribution," this cost will be the same for all alternatives regardless of volume. Clarify if this cost be scaled for the scope of the alternatives being evaluated.
15	Table 8	Revise the table to include costs for waste characterization profiling (i.e. analytical costs).

EPA COMMENTS

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16	Table 9	Please provide additional details for the derivation of unit costs for “Annual Operation and Monitoring Costs” as details are refined.
17	Table 9	Including “Agency Oversight” as a line item task is not consistent with Record of Decision (ROD) for the Lower 8.3 Miles of the Lower Passaic River (EPA 2016) or EPA’s <i>A Guide to Developing and Documenting Cost Estimates during the Feasibility Study</i> (USEPA 2000). Guidance (EPA 2000) indicates that oversight activities can be included in construction management and technical support indirect cost line items as appropriate. Please revise the document accordingly.
18	Table 9	Long-Term Monitoring is a line item in this table and Monitoring is discussed in the <i>Common Engineering Elements</i> dated May 6, 2019. Adaptive Management is also discussed in <i>Common Engineering Elements</i> dated May 6, 2019. Language should be added so the separation between Long Term Monitoring and Adaptive Management activities and the cost estimating that will be done for these activities (if FS costing will be done for both activities) is more distinct.
19	Table 10	Please provide additional details for the derivation of unit costs for “Other Periodic Costs” as details are refined.